

**VALUE CONVERGENCE HOLDINGS LIMITED**  
**Terms of Reference of the Executive Committee**

**1. Constitution**

The Directors of the Company have established a Committee of the Board known as the Executive Committee pursuant to Article 140 of the Articles of Association of the Company.

**2. Membership**

- 2.1 The Executive Committee is composed of a minimum of two Executive Directors. In addition, certain members of Management may be co-opted by the Board to the Executive Committee in a non-voting capacity.
- 2.2 Members of the Executive Committee may only be appointed or removed, and members of Management may only be co-opted to the Executive Committee or removed, in each case, by a decision of the Board.
- 2.3 The Chairman of the Executive Committee shall be appointed and removed by a decision of the Board.

**3. Quorum**

Unless otherwise agreed by all voting members of the Executive Committee, two voting members of the Executive Committee shall be a quorum.

**4. Frequency of meetings**

The Executive Committee shall meet as and when required.

**5. Duties and powers**

The Executive Committee is established with the following duties and powers and on the basis that powers delegated by the Board to the Executive Committee are delegated collaterally with the Board's own powers and subject to revocation or variation under Article 140:

- (a) to oversee the implementation of the Company's strategic objectives and risk management policies;
- (b) to oversee the business and operations of all of the business units of the Group;
- (c) to put in place programs for management development and succession of management personnel;
- (d) to oversee the realisation by the Company of the strategic objectives set by the Board;
- (e) to discharge such other duties and authorities as may be delegated to it by the Board;
- (f) to report to the Board in relation to significant decisions and recommendations of the Executive Committee which ought properly to be brought to the attention of the full

Board;

- (g) to approve any transaction involving an amount exceeding HK\$50,000,000 but not exceeding HK\$100,000,000, provided that the relevant transaction is not a connected transaction, major transaction, very substantial acquisition, very substantial disposal or reverse takeover under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, as they may be amended from time to time (the “**Listing Rules**”);
- (h) financing decisions involving an amount exceeding HK\$50,000,000 but not exceeding HK\$100,000,000, provided that the relevant transaction is not a connected transaction, major transaction, very substantial acquisition, very substantial disposal or reverse takeover under the Listing Rules;
- (i) capital expenditure decisions involving an amount exceeding HK\$50,000,000 but not exceeding HK\$100,000,000, provided that the relevant transaction is not a connected transaction, major transaction, very substantial acquisition, very substantial disposal or reverse takeover under the Listing Rules;
- (j) to approve changes to the Company’s capital structure, including any reduction of capital, share buy back or issue of new securities, other than in accordance with the terms of any share option scheme(s) or other incentive scheme(s) adopted by the Company from time to time;
- (k) the appointment or removal of the head of internal audit of the Company;
- (l) the appointment or removal of the Company Secretary; and
- (m) to use the Company’s seal in accordance with article 137(a) of the Articles of Association of the Company and to authorize a person (not being a Director or the Company Secretary of the Company) to sign an instrument to which the seal is affixed.

**6. Management Personnel Co-opted to the Executive Committee in a Non-Voting Capacity**

Management personnel co-opted to the Executive Committee in a non-voting capacity:

- (a) shall be entitled to receive notices of meetings of the Executive Committee, together with any supporting board papers provided to the members of the Committee with the relevant notice, and shall be entitled to participate in discussions at meetings of the Executive Committee, but shall not be entitled to vote on any matter to be decided, or on any recommendation to be made, by the Executive Committee; and
- (b) shall not be considered to be members of the Executive Committee for any purpose.

*(Updated in April 2009)*